

MINUTES OF THE  
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE  
WEDNESDAY, JANUARY 30, 2008, 2:00 P.M.  
Room W020, West Office Building, State Capitol Complex

Members Present:        Sen. Greg Bell, Co-Chair  
                              Rep. Kory M. Holdaway, Co-Chair  
                              Sen. Brent Goodfellow  
                              Rep. Mel Brown  
                              Rep. David Clark  
                              Rep. Brad Daw  
                              Rep. John Dougall  
                              Rep. Kay McIff  
                              Rep. Curt Webb  
                              Rep. Chris Johnson  
                              Rep. Carol Spackman Moss  
                              Rep. LaWanna “Lou” Shurtliff

Members Absent:        Sen. Curtis Bramble  
                              Sen. Dan Eastman  
                              Rep. Ron Bigelow

Staff Present:            Spencer Pratt, Fiscal Manager  
                              Karen Allred, Secretary

Public Speakers Present: Stan Albrecht, President, Utah State University  
                              Michael Benson, President, Southern Utah University  
                              John Sutherland, Technology Initiative Advisory Board  
                              Laurie Bott, Corporate Affairs, IM Flash Technologies  
                              Larry Johnson, Director Design Engineer, ATK  
                              Dave Buhler, Interim Commissioner, State Board of Regents  
                              Mark Spencer, Interim Deputy Commissioner, State Board of Regents

A list of visitors and a copy of handouts are filed with the committee minutes.

1. Call to Order—Committee Co-Chair Holdaway called the meeting to order at 3:57 p.m.

Rep. Holdaway welcomed everyone, and recognized the University Presidents and Board of Regents.

2. **MOTION:** Rep. Johnson moved to approve the minutes of January 23, 2008 and January 24, 2008.

The vote was unanimous with Reps. Clark, McIff, Moss and Shurtliff absent for the vote.

3. **Institutional Presentation:**

**Utah State University**

Stan Albrecht, President, Utah State University introduced four USU students that came to the meeting today: Bill Munns, Christopher Neil, Matt Dorius and Kiera Van Dyke. Pres. Albrecht distributed a booklet and showed a video of some of the projects and programs happening at USU. Utah State University is Utah's Land Grant University. Its mission is to teach, research and have cooperative extension/public services. USU is one university that is geographically dispersed, delivering locally relevant programs to communities throughout Utah. Pres. Albrecht reported that H.B. 185 has had amazing effects on the University making it able to dramatically enhance USU's capacity to provide new and extended higher education opportunities to Utah's under served population by expanding degrees, extending partnerships and hiring faculty. USU's enrollment and research funding have increased. It is the first among all universities, in money spent on aerospace research and development. The Cooperative Extension creates knowledge and takes it to the people in a way that will improve their lives. USU prepares more elementary, special education and early childhood teachers than any public university in Utah. The Campaign for USU has made remarkable progress since its announcement last March. The face of USU is changing in several new buildings coming to the University. The USHE top priorities for USU are: compensation; mandated costs; preparation, participation and completion; institutional priorities and partnerships; and workforce.

**Southern Utah University**

Michael Benson, President, Southern Utah University, distributed a handout and showed a power point presentation to the committee. Southern Utah University has evolved from a teacher training institution into a comprehensive, regional university offering specialized training, associate, baccalaureate and graduate degree programs. It is home to cultural, social and athletic activities as the host of: Utah Shakespearean Festival, Utah Summer Games, the only Hispanic Center for Academic Excellence in the USHE, Utah Center for Rural Health, Michael O. Leavitt Center for Politics and Public Service, Braithwaite Fine Arts Gallery, and 17 NCAAS division 1 athletic teams. Southern Utah University has a three-prong strategy, formalized in 2006, of being a comprehensive, high quality Bachelors and Masters granting university, a residential learning campus, and a regional university meeting economic development and rural needs. Pres. Benson expressed appreciation for the increase in salary for faculty and staff and the partnership efforts that were brought about because of S.B. 90. SUU has led universities for the 3rd year in enrollment increases. It is replacing 45 year old housing with the Eccles Living Learning Center, has added two new masters degrees, has added women's volleyball, will compete in football next year for the first time against a Division 1 football team, has had 10 new accreditations in 5 years, and has a musical written by two SUU faculty members contracted to take to Broadway. Southern Utah University has been recognized nationally as: America's Best Colleges, *U.S. News and World Report*, 2007 and 2008; Best Value College, *The Princeton Review*, 2006

and 2007; Best in the West College, *The Princeton Review*: 2005, 2006 and 2007; and Top 10 Best Value College in the Nation, *Consumer's Digest*, 2004 and 2007.

4. **Report on Engineering Initiative from Technology Initiative Advisory Board**

John Sutherland, Chairman, TIAB, distributed a handout to the committee and discussed the Technology Initiative. In 2001, the Utah Legislature passed S.B. 61 establishing the Engineering and Computer Science Initiative. The goal was to dramatically increase the number of engineering and computer science graduates in the State of Utah. Based on the assessment of the Technology Initiative Advisory Board, this Initiative has been one of the most successful legislative efforts of the past decade. With equal participation among industry, higher education and the state, the Initiative has proven to be a model program with strong accountability and demonstrable results. Utah's increase in engineering and computer science graduates is roughly twice the national average. Reports from each of the nine schools on the use of funds were reviewed by the members of the TIAB for appropriateness, effectiveness and evidence of university match. The majority of the new ongoing funds was used for new tenure-track faculty positions, with some support for faculty retention, graduate students and staff support. The majority of the one-time funds was expended on laboratory equipment and computers to increase capacity and enhance undergraduate teaching. These expenditures include the development of new labs, expansion of existing labs and the replacement of outdated equipment. The quality of the engineering students is increasing as well as the quantity. This is the last year to ask for funds and there is a huge workforce demand. With an urgent need for additional engineers among Utah's top companies, support for increases in engineering and computer science graduates must remain a top legislative priority. A commitment from the legislature to fund the Engineering Initiative at the targeted level is needed this year to preserve the accomplishments of the past. Many people from the industry came in support of the Engineering Initiative. Mr. Sutherland asked them to stand and introduce themselves.

Laurie Bott, Corporate Affairs, IM Flash Technologies, represented an intense passion for engineering. IM Flash Technologies came to Utah because of the caliber and quantity of engineers available. This company is posting 100 new positions for engineers, with a salary for fresh graduates at about \$65,000 per year. They are in need of qualified Utah engineers.

Larry Johnson, Director of Design Engineer, ATK, a company in Utah that are the largest producers of solid rocket boosters, probably in the world, spoke about his company's need for engineers. Because of this company's rapid growth in 30 years, it requires a huge number of engineers. This company currently has openings for 140 engineers.

The committee discussed what can be done to get students interested in pursuing engineering. Outreach programs, partnering with business in communities, preparing more teachers to teach math and science and getting students excited about math and science, and the Regent Scholarship were the suggestions given to get students interested engineering. There is also a need for more women engineers.

5. **Teacher Initiative (Issue Brief USHE -- 05)**

Issue Brief 05 is behind tab 3 on page 11 in the Budget Book. The Analyst recommends the Teacher Initiative for the Subcommittee's priority list in ongoing funding and one-time funding for FY 2009 to increase the number of graduates with teaching certificates. Dave Buhler, Interim Commissioner, USHE, introduced Dr. David Sperry, Professor, University of Utah, who has done a study on teacher supply and demand. This study came about because of teacher shortages and was designed to enable universities and colleges to produce more teachers. A summary of a follow-up report to his original study is included in Issue Brief 05 on page 11. Teacher shortages remain critical and additional resources are needed to recruit more students and train them. Teacher attrition needs to be reduced through enhanced salaries, improved working conditions and new mentoring programs. More teacher must be attracted to areas experiencing critical shortages through differential salaries, extended-year employment, and more efficient scheduling.

6. **Land Exchange Distribution Account (Issue Brief USHE -- 14)**

Issue Brief 14 is behind tab 3 on page 29 in the Budget Book. The 2007 Legislature passed H.B. 134 which changed the distribution of mineral revenue generated from lands by the School and Institutional Trust Lands Administration. The Analyst recommends the Subcommittee approve the additional funding from the Land Exchange Distribution Account for appropriation to the Water Research Laboratory at Utah State University for FY 2008 and FY 2009.

**MOTION:** Rep. Brown moved to approve the recommendation of the Fiscal Analyst on Issue Brief USHE 14.

The motions passed unanimously with Reps. Clark, Daw, and Johnson absent for the vote.

7. **Mineral Lease Deductions (Issue Brief USHE -- 15)**

Issue Brief 15 is found on page 31 of the Budget Book. The federal fiscal year 2008 omnibus appropriations bill includes a rider that deducts two percent from amounts payable to states under the Mineral Leasing Act of 1920. In federal fiscal year 2007 federal mineral lease payments to the State of Utah totaled \$135.4 million. Assuming FY 2008 receipts are similar to FY 2007, the deduction of two percent will equate to a loss of approximately \$3 million to Utah's budget. Mr. Pratt stated that the USU Water Lab's Mineral Lease allocation could be reduced by \$61,200. However, he noted that the Division of Finance distributes 2.25% of all Mineral Lease collections that the State receives to Utah State University, regardless of the amount that is appropriated. As a result, the Analyst stated that no action is necessary.

8. **Summary of Higher Education Capital Development Requests**

Spencer Pratt, Fiscal Manager distributed a handout to the committee. The handout shows a 2008 General Session Capital Development Prioritization as ranked by the Building Board,

Board of Regents, and UCAT Board of Trustees. The UCAT priorities are highlighted in blue, and the institutions in yellow.

Dave Buhler, Interim Commissioner, USHE and Mark Spencer, Interim Deputy Commissioner distributed a handout to the committee. The State Board of Regents utilizes a highly quantitative system to develop a prioritized list of capital development projects for nine of the ten Utah System of Higher Education Institutions. This process is called the Qualification and Prioritization process or the "Q&P". The Q&P process examines institutional need, project scope and priority ranking. The Q&P process examines how well a proposed project addresses future enrollment growth, appropriate space type, and regent priorities. One of the essential funding components in the capital development and improvement process is the appropriation of the Capital Improvement (AR&I) funds. These funds allow the USHE institutions to address building and project maintenance issues on an annual basis. Non-state funded projects go to the Board of Regents first, then to the Legislature for permission before building. USHE provides \$2 for every state dollar spent on capital development coming from private donations and revenue bonds. The Board of Regents recommendation for the 2008 Legislative Session are included on the handout.

**MOTION:** Rep. Shurtliff moved to adjourn.

Committee Co-Chair Holdaway adjourned the meeting at 3:57 pm.

Minutes were reported by Karen Allred, Secretary.

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Sen. Greg Bell, Committee Co-Chair

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Rep. Kory M. Holdaway, Committee Co-Chair